

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA
Minute Entry

Hearing Information:

Debtor: POTENTIAL DYNAMIX, LLC
Case Number: 2:11-BK-28944-DPC **Chapter:** 11
Date / Time / Room: FRIDAY, FEBRUARY 19, 2021 09:00 AM 6TH FLOOR #603
Bankruptcy Judge: DANIEL P. COLLINS
Courtroom Clerk: RENEE BRYANT
Reporter / ECR: N/A

Matter:

ADV: 2-13-00799
TIMOTHY SHAFFER & Amazon Services LLC vs Amazon Services LLC & TIMOTHY SHAFFER
CONTINUED TRIAL
R / M #: 0 / 0

Appearances:

DALE C. SCHIAN, ATTORNEY FOR TIMOTHY SHAFFER
MARK C. DANGERFIELD, ATTORNEY FOR TIMOTHY SHAFFER
KEN RALSTON, ATTORNEY FOR TIMOTHY SHAFFER
ERIC J. WEISS, ATTORNEY FOR ASMAZON SERVICES LLC
MALLORY GITT WEBSTER, ATTORNEY FOR AMAZON SERVICES, LLC
TASHA BACHAND, AMAZON CORPORATE REPRESENTATIVE, WITNESS
EDMUND WEIANT WILLIAMS, WITNESS

UNITED STATES BANKRUPTCY COURT
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(continue)... 2:11-BK-28944-DPC

FRIDAY, FEBRUARY 19, 2021 09:00 AM

Proceedings:

The parties discuss some housekeeping matters.

EXHIBITS ADMITTED: Trustee's Exhibits 119 and 154. Amazon's Exhibits 222, 229, 234, 240, 243, 262, 203, 204, 205, 206, 207, 210, 211, 212, 213, 214, 215, 217, 218, 221, 223, 224, 226, 227, 230, 264, and 261.

Ms. Bachand is called back to the stand, and she is reminded she is still under oath.

Mr. Schian continues with his cross-examination of Tasha Bachand.

Mr. Schian notes a confidentiality issue with Exhibit 150. He asks Mr. Weiss to confirm it is okay to display. Mr. Weiss asks that the parties discuss this exhibit over lunch.

The Court asks the parties to discuss exhibit 150 over lunch.

The Court is afforded a recess.

Mr. Schian reports the parties have determined the exhibit will not be offered. The parties discuss the exhibit.

Mr. Schian continues with his cross-examination.

Mr. Weiss has no questions for the witness.

The witness Tasha Bachand is excused.

Mr. Weiss calls Edmund Weiant Williams to the stand.

The witness, Edmund Weiant Williams, was sworn in. Mr. Weiss questioned the witness. Mr. Dangerfield cross-examines the witness. The Court questioned the witness. Mr. Weiss has no additional questions for the witness.

The Court and the parties discuss briefing and closing arguments.

COURT: IT IS ORDERED SETTING A HEARING FOR CLOSING ARGUMENTS ON FEBRUARY 24, 2021, AT 9:00 AM. IT IS ORDERED ESTABLISHING MARCH 12, 2021, AS THE DEADLINE FOR THE TRUSTEE TO FILE THEIR BRIEF. IT IS ORDERED ESTABLISHING APRIL 2, 2021, AS THE DEADLINE FOR AMAZON TO FILE THEIR RESPONSE. IT IS ORDERED ESTABLISHING APRIL 14, 2021, AS THE DEADLINE FOR THE TRUSTEE TO FILE THEIR REPLY. IT IS ORDERED SETTING A HEARING FOR POST-TRIAL BRIEFING ON APRIL 19, 2021, AT 10:00 A.M.

FOR ALL MATTERS SET FOR HEARING ON APRIL 19, 202, AT 10:00 AM, PARTIES ARE DIRECTED TO APPEAR BY VIDEO CONFERENCE USING THE FOLLOWING ZOOM LINK:

ZOOM <<https://www.zoomgov.com/j/1610604287?pwd=d2QzeE9oZUVwSkhEbmh2dHkZ1lwZz09>>

Meeting ID: 161 060 4287

Passcode: 262180

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(continue)... 2:11-BK-28944-DPC

FRIDAY, FEBRUARY 19, 2021 09:00 AM

THE COURT EXPECTS ALL PARTIES TO APPEAR BY VIDEO. IF A VIDEO CONNECTION IS NOT POSSIBLE, PARTIES MAY APPEAR VIA AUDIO ONLY BY CALLING 877-873-8018, ACCESS CODE 7217155.

EXHIBIT LIST

Case Name: Potential Dynamix, LLC

Page #: 1 of 5

Case #: 2:11-BK-28944-DPC

Adversary #: 2-13-00799

No.	Marked	Admitted	Description
1		2/16/21	Joint Exhibits FBA Agreement
2		2/16/21	DAB Inventory Adjustments from Seller Central
3		2/16/21	Email from Diana Flores to Scott et al RE: Inventory Reconciliation
4		2/16/21	Email from Diana Flores to Sean L. dated March 28, 2013 re: Inv. reconciliation
5		2/16/21	Rebuttal Report of E. Weiant Williams
6		2/16/21	Merchants@Amazon.com Program Agreement
7		2/16/21	Morones 5/10/19 Export Report
8		2/16/21	12/7/10 Hancock Email RE: 404 SK45
9		2/16/21	3/1/19 Jchian Email RE: Pot. Dynamix Ch.11 Disclosure Statement
10		2/16/21	4/2/13 Flores Email RE: INV. reconciliation Update - DAB
11		2/16/21	4/15/13 Seller Central Case details Report
12		2/16/21	5/7/13 Bellino Email RE: Another graph Restricted Product.
		2/16/21	

EXHIBIT LIST

Case Name: Potential Dynamix, LLC

Page # 2 of 5

Case #: 2:11-BK-28944-DPC

Adversary #: 2-13-00799 Trustee's Exhibits

No.	Marked	Admitted	Description
104		2/16/21	Initial Disclosures of Amazon Services LLC
105		1	E. Wriant Williams Handwritten Notes re: Interviews with Amazon Employees
107			Extract of mis data of seven returned units after 12/31
116			Letter from Eric Weiss to Scott Goldberg dated 10/30/18 re: Response to Trustee Questions
140			Letter from Scott Goldberg to John S. Kaplan dated 12/31/2014
141			Letter from John S. Kaplan to Scott Goldberg dated 1/7/2015
144			April 11, 2013 letter from Amazon to Pot. Dynamix LLC terminating Merchants @ Amazon.com Program Agreement
147			FBA "Inv. Adjustments" document
148			FBA "Amazon Fulfillment Reports" document
151			Internet Archive Wayback Machine capture of FBA Lost & Damaged Inv. Reimbursement 3/5/13
156			Email from Diana Flores to Cynthia Williams dated 3/6/13 re: Feb. 21st meeting
157			Email from Diana Flores to Riten Althamer & Kunal Kande re: DAB Analysis - Feb 2013
160		2/16/21	Monthly Operating Reports from Nov 2012 to Oct. 2013

EXHIBIT LIST

Case Name: Potential Dynamix, LLC

Page #: 3 of 5

Case #: 2:11-BK-28944-DPC

Adversary #: 2-13-00799 Trustee's Exhibits

No.	Marked	Admitted	Description
161		2/16/21	Settlement data Files
163			Email between Govey and Engdahl Dated 5/6/2013
166			Email from Diana Flores to Diana Flores dated 5/13/2011 re: DAB - James Thompson Input
167			Email from Diana Flores to Sean Lowcock dated 10/17/2011 re: Missing Inv. for DAB Unlimited
168			Email from Brandon Haskell to Patrick Govey dated 1/28/2013 re: FBA Recon Case / RMS Pvc. - Seller.
169			Email from Patrick Govey to Pahoia Nopsi Hiporn dated 1/28/2013 re: DAB Unlimited
170			Email from Leticia Monteiro to Diana Flores Dated 3/27/2013 re: DAB Unlimited
171			FBA "Inventory Reports" document
172		2/16/21	Declaration of Serena Morones
178		2/16/21	Morones Chart
179			Morones Chart
180			Morones Chart
181		2/16/21	Morones Chart

EXHIBIT LIST

Case Name: Potential Dynamics LLC

Page #: 4 of 5

Case #: 2:11-BK-28944-APC

Adversary #: 2-13-60799

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EXHIBIT LIST

Case Name: Potential Dynamics, LLC

Page #: 50/5

Case #: 2:11-BK-28944-DPC Adversary #: 2-13-00799

No.	Marked	Admitted	Amazon Exhibits Description
201		2/16/21	7/9/13 Complaint
202			Marones Invoices
216			12/15/12 Shatter Email re: Full Amazon Audit
219			1/22/13 Bellino Email re: Remittance Advice for 1/9 and 1/10
220			2/12/13 Meeting with Amazon Agenda and emails
228			4/23/13 Arzarelli Email re: Revenues, Actual and projected, Feb-Apr 2013
233			4/14/17 Trustee Response to Amazon Second Discovery Requests
253			Settlement Reports Screenshot Exh.
259		2/16/21	Trial Declaration of E. Weiant Williams

EXHIBIT LIST

Case No: 11-28944-DPCAdv. No. 13-0799-DPCCase Name: Potential Dynamix, LLCDate of Trial: 2/17/21

Exhibit	Description	Admitted
247	Settlement Report Txt File	2/17
248	Settlement Report Txt File	2/17
249	Settlement Report Txt File	2/17
250	Settlement Report Txt File	2/17
251	Settlement Report Txt File	2/17
252	Settlement Report Txt File	2/17

EXHIBIT LIST

Case No: 11-28944-DPCAdv. No. 13-00799-DPCCase Name: Potential Dynamix, llcDate of Trial: 2/18/21

Exhibit	Description	Admitted
131	May 2015 Data Production by Amazon	2/18
161	Settlement data files	2/18
263		2/18
245	Auto Unsellable Removal Setting Screenshot	2/18

EXHIBIT LIST

Case No: 11-28944-DPCAdv. No. 13-00799-DPCCase Name: Potential Dynamix, LLCDate of Trial: 2/19/21

Exhibit	Description	Admitted
119	Second Supplemental Disclosure Statement Pursuant to F ₊	2/19
222	3/12/13 Disclosure Statement	2/19
229	5/7/13 Notice of Filing Chapter 11 Trustee's Report	2/19
234	3/13/18 Cone Retention Letter	2/19
240	8/10/18 Goldberg Email Re: Monthly Operating Reports for ₊	2/19
243	5/9/19 Ashworth Email Re: Settlement Report Question	2/19
262		2/19
203	12/14/10 Reilly Email Re: Listing Errors	2/19
204	1/13/11 Soder Email Re: 404 SKU's	2/19
205	1/14/11 Azzarelli Email Re: Further Sku Miscreation	2/19
206	1/21/11 Reilly Email Re: .missing SKUs	2/19
207	7/15/11 Reilly Email Re:	2/19
210	5/8/12 Lawcock Email Re: Case 58103781	2/19
211	8/14/12 Bellino Email Re: Important: Fulfillment by Amazon ₊	2/19
212	8/22/12 Bellino Email Re: Your Amazon.com Inventory	2/19
213	9/6/12 Bellino Email Re: Your Amazon.com Inventory	2/19
214	12/10/12 Bellino Email Re: Full Audit Amazon	2/19
215	FBA Inventory Overview 2008, 2009, 2010, 2011 Spreadsh ₊	2/19
217	12/20/12 Lawcock Email Re: 2012 Audit Up to December 1 ₊	2/19
218	1/2/13 Lawcock Email Re: DAB Update 2013	2/19
221	2/13/13 DAB Email Re: Important: Fulfillment by Amazon ₊	2/19

EXHIBIT LIST

Case No: 11-28944-DPCAdv. No. 13-00799-DPCCase Name: Potential Dynamix, LLCDate of Trial: 2/19/21

Exhibit	Description	Admitted
223	3/13/13 Lawcock Email Re: FBA Inventory Summaries	2/19
224	FBA Inventory Overview 2008, 2009, 2010, 2011 Spreadsh	2/19
226	4/23/13 Bellino Email Re: Revenues, Actual and Projected	2/19
227	Revenues 2013 Spreadsheet PDF	2/19
230	7/9/13 Azzarelli Email Re: Aged Inventory Project Summer	2/19
264		2/19
261	ACQAIAI Inventory Adjustment Item Document	2/19
154	Amazon diagram of FBA reimbursement	2/19